

Introduced by Senator BurtonJune 25, 2003

Senate Resolution No. 24—Relative to the Senate Select Committee on Fiscal Restructuring.

1 WHEREAS, The State of California, the world's fifth largest
2 economy with an annual domestic product of \$1.4 trillion, is now
3 confronted with the worst fiscal crisis in its recent history; and

4 WHEREAS, This fiscal crisis is exacerbated by a multiplicity
5 of governmental jurisdictions that are subject to a funding system
6 made overly complicated by conflicting and contradictory
7 constitutional and statutory provisions; and

8 WHEREAS, The existing revenue structure has led to
9 overreliance on personal income tax at the state level,
10 guaranteeing a volatile base of resources for state operations, and
11 overreliance at the local level on sales tax, leading to planning
12 decisions that may prove counterproductive in the long run; and

13 WHEREAS, There exists an on-going imbalance between
14 revenue and spending in California government that has created a
15 structural deficit of up to \$10 billion for the 2004–05 fiscal year,
16 and potentially for years thereafter; and

17 WHEREAS, It is in the best interest of all Californians to create
18 an aligned revenue and expenditure structure that guarantees the
19 most efficient provision of quality services on appropriate levels
20 of government, while fostering a business climate that sustains
21 economic growth in order to improve the quality of life for all of
22 our citizens; now, therefore, be it

23 *Resolved by the Senate of the State of California*, That, pursuant
24 to Senate Rule 12.5, a subcommittee of the General Research



1 Committee is hereby created, to be known as the Senate Select
2 Committee on Fiscal Restructuring; and be it further

3 *Resolved*, That the subcommittee shall be composed of ten
4 members appointed by the Senate Committee on Rules; and be it
5 further

6 *Resolved*, That the subcommittee is authorized and directed to
7 (a) review and assess the existing state and local governmental
8 structure and the revenue sources pertaining thereto; (b) consider
9 alternative or restructured revenue sources that might provide
10 more reliable funding on a state and local level; (c) identify
11 constitutional and statutory mandates that might be modified to
12 increase financial flexibility at the state and local level; (d)
13 consider ways and means to improve the evaluation of program
14 performance at the state and local level; and, (e) recommend
15 policy initiatives that will resolve the structure deficit; and be it
16 further

17 *Resolved*, That the Senate Select Committee on Fiscal
18 Restructuring shall submit its report to the Senate, including its
19 recommendations for appropriate legislation, no later than August
20 18, 2003, and on that date the subcommittee shall cease to exist;
21 and be it further

22 *Resolved*, That the Senate Committee on Rules may allocate
23 from time to time to the subcommittee from the Senate Operating
24 Fund such sums as are necessary, and may employ and assign such
25 personnel as the Senate Committee on Rules deems necessary for
26 the subcommittee to complete the investigation or study assigned
27 to it by this resolution; and be it further

28 *Resolved*, That for the purposes of carrying out and
29 implementing its assignments as set forth above, the subcommittee
30 and its members are empowered to exercise all of the rights and
31 powers conferred upon investigating committees by the provisions
32 of the Standing Rules of the Senate as adopted and amended from
33 time to time, which provisions are, by reference, incorporated
34 herein, including the right to hold hearings, to summon and
35 subpoena witnesses with the prior approval of the Senate
36 Committee on Rules, require the production of papers, books,
37 accounts, reports, documents, and records of every kind and
38 description, and to take all necessary means to compel the
39 attendance of witnesses and procure testimony; and be it further



1 *Resolved*, That the subcommittee, each of its members, and
2 every representative of the subcommittee authorized by the
3 subcommittee or its chair, are authorized and empowered to
4 administer oaths; and every department, commission, board,
5 agency, officer, and employee of the state government, including
6 the Legislative Counsel, and of any political subdivision, county,
7 city, or public district of or in the state shall furnish the
8 subcommittee, upon request, any and all assistance and
9 information, records, and documents as the subcommittee deems
10 proper for the accomplishment of the purposes for which it is
11 created.
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